

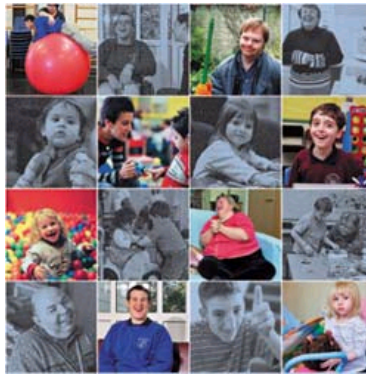
2004/05 Annual Review

13th March 2006

Norwoods Annual Review highlights a year of consolidation in 2004 / 2005

Norwood this week published its **Annual Review for 2004/2005** with figures showing that in the 12 months to March 2005, Anglo-Jewry's leading children and family services charity had a **deficit on unrestricted funds** (the funds that it relies on to cover its current operations) **of £400,000** . However, the charity achieved an **overall surplus of £6.7m** as a result of capital donations, principally towards the relocation of its school from Ravenswood Village into London.

Norwood's total income for 2004/2005 was £35.5m, £20.3m of which was secured through statutory funding. Overall fundraising income in 2004/2005 was £5.9m, whilst donations for specific capital projects reached £7.3m. (This is for the new school and two new state-of-the-art services at Ravenswood Village; an Autistic unit and a unit for people with profound and multiple Learning Disabilities). Norwood raised £2m in other income (rent, income from charity shops and savings in the bank) in the 12 months to March 2005.



The figures show that the Charity has continued to perform well and drive efficiencies across the organisation. This has included managing finances in a prudent manner and improving management controls and understanding. The Charity has also benefitted from a better performance on the stock market, which has seen a rise of almost half a million pounds in the value of its investment portfolio. However, whilst the figures reflect a generally positive outlook, there have been many obstacles to overcome and many more remain.

Norwood's finances continue to be put under pressure by the refusal of Local Authorities to meet fee increases above the rate of inflation, despite greater increases in the costs of providing care services. Norwood is continuing to incur costs related to complying with the National Minimum Care Standards, for which the Government has not released any extra funding. The Charity's commitment to investing in training and development, in order to meet the Minimum Care Standards, has had a major impact on its financial position. Alongside this, once care staff achieve their NVQ qualifications, their salaries increase, placing additional and ongoing financial pressures on the organisation.



Norwood's Director of Corporate Services, Duncan Milroy, explained : Faced with these financial pressures Norwood has been looking to new strategies to improve its cost effectiveness. These strategies included the increased use of flexible care staff to reduce agency costs. We have successfully recruited staff from Israel, Romania and the Philippines and their positive contribution was felt immediately, adding value not only to their respective services, but also to the Charity as a whole. Having experienced the benefit of this policy, we have gone on to successfully recruit almost 130 care staff from overseas to a number of our services.

Discussing Norwood's current position and plans for the future **Norma Brier, Chief Executive** , commented: Our financial position has been maintained by continuing to focus our efforts on controlling costs across the organisation in the face of continuing financial pressures. We are continually working with Local Authorities in the planning and delivery of our operations, and are also engaged in a review process to rigorously appraise the true cost of providing our services and how we charge for them, whilst also ensuring that our central support expenditure is delivering value for money.

In the last year we have made great strides towards realising our vision to provide groundbreaking services for people with learning disabilities. In 2008 we shall be opening two specialist units at Ravenswood Village, one for people with autism and one for adults with multiple and profound learning disabilities. We are also continuing to work alongside JCoSS, ORT, the DfES and the London Borough of Barnet in an effort to turn our vision for a school to educate some of the most profoundly disabled pupils in the community into a reality . We will be responsible for 100% of the land purchase and building costs for the on-site residential homes at the school and at least 10% of the costs associated with the Special Resource Unit and we are currently developing plans which best utilise the generous donations we have received from our supporters for this purpose.

For more information please contact Ronit Shebson, Public Relations Manager at Norwood on 020 8420 6900 or email ronit.shebson@norwood.org.uk

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Broadway House, 80-82 The Broadway, Stanmore HA7 4HB